

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
September 27, 2023

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room on Wednesday, September 27, 2023, at 12:00 P.M.

Board members present: Wyatt Pettus, Barrie Strickland, Suzy Graham, Sylvia Overton, Jon Garvey, and Dr. Behr

Board member absent: Terry Bishop

Members of management present: Shane Kernell, Bob Lonis, Jared Brown, Shelly Walls, Bobby Hadderton, Kayla Ellis, and Erin Ray

Others present: Erin Freeman, Mia Patterson, Vicki Tucker, and Dr. Michael Hay.

Others present via Zoom: Curtis Rojas with Endeavor Healthcare

Presiding Secretary: Tammy Whittenburg

1. Call to Order and Record Attendance

President Pettus called the meeting to order at 12:05 P.M. Invocation was given by President Pettus.

2. Public Comment

There was no public comment.

3. Meeting Minutes

The Directors were asked to review the minutes of the regular meeting on August 24, 2023, for any revisions or corrections.

Action

Motion by Sylvia Overton, second by Suzy Graham, to approve the regular board minutes of August 24, 2023, as presented. Motion carried.

4. Finance Committee Report

Financials – Bob Lonis

- Presented and reviewed were the Financial Highlights for August 2023; Income and Expense Statements for the Month Ended August 31, 2023; Balance Sheet for the Month Ended August 31, 2023; Statement of Sources and Uses of Cash Flow for the Month Ended August 31, 2023; Key Operational Indicators FY 2022 and FY 2023; Scorecards for August 2023 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, Visits Statistics, Net Revenue to Cash Analysis, GRMC POS Cash Analysis, and Total POS Cash. Also presented were the Scorecards showing SWB/Net Patient Revenue, Salary % Net Patient Revenue, Days of Cash on Hand, EBIDA, FTE/AOB Analysis, Surgery Statistics from October 2022 through August 2023, and Ambulatory Surgery Services from October 2022 through August 2023.
- Curtis Rojas reviewed the Revenue Cycle charts.

Action

Motion by Suzy Graham, second by Barrie Strickland, to approve the financial statements as presented. Motion carried.

5. Action Items

a. Pain Program

Mr. Kernell presented pain pro formas with Dr. Michael Hay and Dr. Chad Stephens. They both yield the same contribution. There are four options for our pain management program. We can use Dr. Chad Stephens and his two CRNAs. We can use Dr. Michael Hay, who will oversee Vicki Tucker, CRNA. We can outsource the program similar to what Olney Hamilton is using. We can also hire our own physician to do it. Ms. Tucker was introduced and shared her education and background. She will have training in the next couple of months. Dr. Hay will train with Ms. Tucker and look at additional courses online. She will do clinic on one day and procedures on another day. This was presented to our Medical Staff in August. They agreed that Dr. Hay would be good.

Action

Motion by Jon Garvey, second by Dr. Behr, to approve the Pain Program with Dr. Michael Hay and Vicki Tucker, CRNA, as presented. Motion carried.

b. Hospital Ad Valorem Rate

Mr. Kernell presented the FY 2024 Tax Rate Calculation. The Voter-Approval Tax Rate of \$0.272984 was the recommendation for the 2024 budget. This rate is 8% above the No New Revenue Rate and produces 10.51% more than the year before.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the property tax rate be increased by the adoption of a tax rate of 0.272984, the Voter-Approval Rate, which is effectively a 10.51 percent increase above the No New Revenue rate of 0.252109 as provided by the Chief Appraiser on the 2023 Tax Rate Calculation Worksheet as presented. Motion carried.

c. Public Hearing on FY 2024 Budget

Mr. Lonis presented the budget process and the 2024 proposed budget with the Voter-Approval Rate of \$0.272984. The CAH reimbursement pickup, growth initiatives, rate increases, reimbursement changes, and operational expenses were considered.

Action

Motion by Dr. Behr, second by Barrie Strickland, to approve the FY 2024 Budget as presented. Motion carried.

d. Public Hearing on 3-Year Capital Budget

Mr. Lonis presented the 3-Year Capital Budget. Every year, we are required to put this forward to see what equipment needs we have. This is for the years 2024 through 2026. Most items listed are necessary, but not all are revenue-producing. Justifications for needing the equipment are listed. We listed \$100,000 for contingency needs. We take the approach that if you buy something that is not budgeted, then you will need to substitute for it. There are always unforeseen items we find critical that we may need. We also let our department directors know that just because we budget an item doesn't guarantee you get it.

Action

Motion by Sylvia Overton, second by Suzy Graham, to approve the 3-Year Capital Budget as presented. Motion carried.

e. Revenue Cycle Services Amendment

Endeavor Healthcare needs to bring the rate they charge for their services to an amount closer to what they are charging similar-sized clients and covering their ever-increasing costs for salaries and overhead. This will increase their flat rate service fee each month. There will not be an annual percentage increase if we agree to a two-year contract.

Action

Motion by Dr. Behr, second by Jon Garvey, to approve the Addendum to the Revenue Cycle Services Amendment as presented. Motion carried.

6. Reports

a. Medical Chief of Staff Report

- i. Dr. Steve Jones was not in attendance.

b. CEO Report – Shane Kernell

- i. Construction continues to progress. Steel is going up. They continue to work on the bathrooms in the Surgery Center area.
- ii. Our radiology search continues for a permanent radiologist to be on-site in Graham. Dr. Whitley is back with us. He is here two days a week. The full-time CRNA has been hired. Jason Hoffman, CRNA, will start on November 20. We will still have Vicki Tucker, CRNA, with us doing the pain procedures and clinic two days a week and anesthesia the other days when we need a second CRNA.
- iii. We are waiting on the letter from CMS since we passed our survey on August 4 for critical access. Once received, our next survey will be for Swingbed.
- iv. Mr. Kernell presides over the City Traffic Control Committee. They will likely be installing speed bumps from Montgomery Street to East Street to slow down traffic. There will likely not be a traffic light installed when turning onto Montgomery Street. There will be sidewalks on both sides of Elm Street all the way to Walmart.

7. Executive Session

President Pettus convened into Executive Session at 1:56 P.M.

Executive Session: The Board will meet in closed session pursuant to:

- a. Texas Health and Safety Code §161.032, deliberation of information from the Medical Staff regarding applications for appointment and/or reappointment to the Medical Staff, and information from the Compliance Officer to consider quality assurance/performance improvement reports
- b. Texas Government Code §551.074. personnel matters

Executive session adjourned at 2:26 P.M.

8. Open Session

The Board reconvened in open session at 2:26 P.M.

Action

Motion by Suzy Graham, second by Dr. Behr, to approve the appointments, reappointments, and delegated credentialing of:

- A. Appointments:
 - Provisional
 - Emergency Medicine
 - Mark Lekas, DO
- B. Reappointments:
 - Provisional to Allied
 - CRNA
 - Trey Ramos
 - Mark Neubauer
 - Consultant
 - Neurology
 - Umair Saeed, MD

Motion carried.

Action

Motion by Barrie Strickland, second by Suzy Graham, to approve the Quality Report as presented. Motion carried.

Action

Motion by Dr. Behr, second by Sylvia Overton, to approve the Incentive Compensation Metrics as amended. Motion carried.

Action

Motion by Suzy Graham, second by Sylvia Overton, to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 2:27 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors